

Outline of Consolidated Financial Results of Taiheiyo Cement Corporation for the Second Quarter of Fiscal 2013 ended March 31, 2013

November 13, 2012

Company: Taiheiyo Cement Corporation
Stock code: 5233
URL: <http://www.taiheiyo-cement.co.jp/>

Fiscal 2012 2Q: April 1, 2011- September 30, 2011
Fiscal 2012: April 1, 2011-March 31, 2012
Fiscal 2013 2Q: April 1, 2012- September 30, 2012
Fiscal 2013: April 1, 2012-March 31, 2013

The accompanying consolidated financial results are not intended to present the financial results in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

(All yen figures are rounded down to the nearest one million yen.)

1. Consolidated Financial Results for the Second Quarter of Fiscal 2013 (April 1, 2012 through September 30, 2012)

(1) Operating Results

	Net Sales		Operating income		Ordinary income		Net income(loss)	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
2Q FY3/13	353,519	1.8	10,625	84.3	4,567	310.2	539	-
2Q FY3/12	347,203	1.2	5,763	-	1,113	-	(3,383)	-

*comprehensive income : Fiscal 2013 2Q 1,962 Fiscal 2012 2Q (2,583)

	EPS		Diluted EPS	
	Yen		Yen	
2Q FY3/13	0.44		-	
2Q FY3/12	(3.45)		-	

(2) Financial Position

	Total assets		Total net assets		Equity ratio	
	Millions of Yen		Millions of Yen		%	
2Q FY3/13	966,551		195,074		17.5	
FY3/12	982,231		196,144		17.3	

*Equity : Fiscal 2013 2Q 168,946 Fiscal 2012 169,614

2. Dividends

	Dividend per share				
	1H	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY3/12	—	2.00	—	2.00	4.00
FY3/13	—	2.00			
FY3/13(forecast)			—	2.00	4.00

3. Consolidated Results Forecast for the Fiscal 2013(April 1, 2012 through March 31, 2013)

	Net sales		Operating income		Ordinary income		Net income		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
FY3/13	735,000	1.0	40,000	37.1	30,500	64.9	10,000	27.5	8.14

This forecast is based on the information available at the date of publication of this material and assumptions at the same date with respect to the various factors which might have impact on the future financial results. Actual results may differ materially from this forecast due to various factors.

Consolidated Balance Sheets

All yen figures are rounded down to the nearest one million yen.
(Millions of Yen)

Item	FY3/12 (As of 03/31/12)	2Q FY3/13 (As of 9/30/12)
Assets		
Current assets		
Cash and deposits	64,505	59,369
Notes and accounts receivable-trade	167,638	161,666
Merchandise and finished goods	26,155	27,908
Work in process	4,773	5,432
Raw materials and supplies	37,145	37,439
Other	36,046	34,325
Allowance for doubtful accounts	(1,766)	(1,994)
Total current assets	334,496	324,147
Noncurrent assets		
A. Property, plant and equipment		
Buildings and structures, net	150,556	148,190
Machinery, equipment, and vehicles, net	106,117	105,279
Land	151,935	151,427
Other, net	53,180	53,795
Total property, plant and equipment	461,789	458,692
B. Intangible assets		
Goodwill	12,343	11,497
Other	29,617	29,590
Total intangible assets	41,960	41,088
C. Investments and other assets		
Investment securities	78,574	74,698
Other	71,141	73,550
Allowance for doubtful accounts	(5,730)	(5,626)
Total investments and other assets	143,984	142,622
Total noncurrent assets	647,735	642,403
Total assets	982,231	966,551

All yen figures are rounded down to the nearest one million yen.
(Millions of Yen)

Item	FY3/12 (As of 03/31/12)	2Q FY3/13 (As of 9/30/12)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	84,300	81,088
Short-term loans payable	251,710	250,149
Current portion of bonds	30,366	20,391
Income taxes payable	3,251	6,115
Provision for bonuses	4,395	4,376
Provision for directors' bonuses	7	7
Provision for loss on assignment of business	4,191	4,191
Other provision	1,468	1,232
Other	68,488	68,070
Total current liabilities	448,180	435,622
Noncurrent liabilities		
Bonds payable	22,143	42,710
Long-term loans payable	205,965	183,019
Provision for retirement benefits	24,802	24,772
Provision for directors' retirement benefits	550	452
Provision for loss on business of subsidiaries and affiliates	138	138
Provision for asset removal	2,002	1,898
Provision for special repairs	286	318
Asset retirement obligation	7,103	8,028
Other	74,915	74,516
Total noncurrent liabilities	337,907	335,854
Total liabilities	786,087	771,477
Net assets		
Shareholders' equity		
Capital stock	86,174	86,174
Capital surplus	50,636	50,636
Retained earnings	85,041	83,122
Treasury stock	(916)	(922)
Total shareholders' equity	220,935	219,011
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	985	(142)
Deferred gains or losses on hedges	20	17
Revaluation reserve for land	4,710	4,637
Foreign currency translation adjustment	(53,678)	(51,301)
Adjustments for employee retirement benefit of overseas subsidiary	(3,358)	(3,274)
Total accumulated other comprehensive income	(51,321)	(50,064)
Minority interests in consolidated subsidiaries	26,529	26,127
Total net assets	196,144	195,074
Total liabilities and net assets	982,231	966,551

Consolidated Statements of Income

All yen figures are rounded down to the nearest one million yen.
(Millions of Yen)

Item	2QFY3/12 (4/1/11– 9/30/11)	2QFY3/13 (4/1/12– 9/30/12)
Net sales	347,203	353,519
Cost of sales	284,106	284,755
Gross profit	63,097	68,764
Selling, general and administrative expenses	57,333	58,138
Operating income	5,763	10,625
Non-operating income		
Interest income	231	212
Dividends income	462	395
Other	2,199	2,275
Total non-operating income	2,893	2,883
Non-operating expenses		
Interest expenses	4,749	4,646
Equity in losses of unconsolidated subsidiaries and affiliates	273	2,333
Other	2,520	1,961
Total non-operating expenses	7,543	8,941
Ordinary income	1,113	4,567
Extraordinary income		
Gain on disposal of non-current assets	586	2,502
Gain on sales of investment securities	16	27
Other	272	471
Total extraordinary income	876	3,001
Extraordinary loss		
Loss on disposal of non-current assets	631	1,682
Loss on sales of investment securities	165	702
Loss on disaster	1,465	–
Other	1,411	519
Total extraordinary losses	3,674	2,905
Income(loss) before income taxes and minority interests	(1,684)	4,663
Income taxes	1,379	4,189
Net income before minority interests	(3,063)	474
Minority interests	319	(64)
Net income(loss)	(3,383)	539

Consolidated Statements of Comprehensive Income

All yen figures are rounded down to the nearest one million yen.

(Millions of Yen)

	2Q FY3/12 (As of 9/30/11)	2Q FY3/13 (As of 9/30/12)
Net income(loss) before minority interests	(3,063)	474
Other comprehensive income		
Valuation difference on available-for-sale securities	(865)	(963)
Deferred gains or losses on hedges	(14)	(6)
Foreign currency translation adjustment	(388)	1,629
Adjustments for employee retirement benefit of overseas subsidiary	145	84
Share of other comprehensive income of associates accounted for using equity method	1,603	743
Total other comprehensive income	479	1,488
Comprehensive income	(2,583)	1,962
Comprehensive income attributable to :		
Shareholders of Taiheiyo Cement Corporation	(2,760)	1,870
Minority interests	177	92

Consolidated Statements of Cash Flows

All yen figures are rounded down to the nearest one million yen.

(Millions of Yen)

	2Q FY3/12 (As of 9/30/11)	2Q FY3/13 (As of 9/30/12)
I		
Net cash provided by(used in) operating activities		
Income(loss) before income taxes and minority interests	(1,684)	4,663
Depreciation and amortization	20,227	18,860
Amortization of goodwill	1,038	1,014
Equity in (earnings)losses of affiliates	273	2,333
Loss(gain) on valuation of investment securities	165	702
Increase(decrease) in provision for retirement benefits	(1,105)	(1,847)
Increase(decrease) in provision for directors' retirement benefits	(133)	(97)
Increase(decrease) in provision for bonuses	(81)	(21)
Increase(decrease) in allowance for doubtful accounts	94	128
Increase(decrease) in provision for removal of assets	(25)	(103)
Increase(decrease) in other provision	(10)	(194)
Interest and dividends income	(694)	(607)
Interest expenses	4,749	4,646
Loss(gain)on sales of investment securities	(4)	(35)
Loss(gain)on disposal of property, plant, and equipment	45	(823)
Decrease (increase) in notes and accounts receivable-trade	6,262	6,198
Decrease (increase) in inventories	(2,291)	(2,340)
Increase (decrease) in notes and accounts payable-trade	(6,019)	(3,621)
Loss on disaster	1,465	-
Other, net	(3,794)	2,263
Subtotal	18,477	31,116
Interest and dividends income received	968	855
Interest expenses paid	(4,832)	(4,842)
Income taxes paid	(2,620)	(2,822)
Net cash provided by operating activities	11,992	24,307
II		
Net cash provided by(used in) investing activities		
Decrease(Increase) in time deposits	578	(242)
Purchase of property, plant, and equipment	(7,974)	(13,893)
Proceeds from sales of property, plant, and equipment	977	4,116
Purchase of investment securities	(320)	(310)
Proceeds from sales of investment securities	157	178
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(1,956)	(483)
Collections of loans receivable	1,173	1,136
Other, net	115	207
Net cash provided by(used in) investing activities	(7,248)	(9,290)

III	Net cash provided by(used in) financing activities		
	Increase (decrease) in short-term loans payable	(3,102)	(27,753)
	Increase (decrease) in commercial papers	(12,000)	—
	Proceeds from long-term loans payable	33,945	26,815
	Repayment of long-term loans payable	(32,544)	(25,598)
	Redemption of bonds	(10,178)	(10,208)
	Proceeds from issuance of bonds	600	20,800
	Proceeds from issuance of common stock	33,350	—
	Purchase of treasury stock	(5)	(6)
	Proceeds from sales of treasury stock	1	0
	Cash dividend paid	(2,372)	(2,457)
	Cash dividends paid to minority shareholders	(466)	(419)
	Other, net	(1,018)	(1,644)
	Net cash provided by(used in) financing activities	6,208	(20,472)
IV	Effect of exchange rate changes on cash and cash equivalents	(78)	125
V	Net increase in cash and cash equivalents	10,872	(5,330)
VI	Cash and cash equivalents at beginning of period	61,265	59,785
VII	Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(5)	(70)
VIII	Increase in cash and cash equivalents resulting from merger	47	—
IX	Cash and cash equivalents at end of the period	72,180	54,384

Consolidated Segment Information

All yen figures are rounded down to the nearest one million yen.
(Millions of Yen)

	2Q FY3/12 (4/1/11 – 9/30/11)									
	Reportable Segments						Other	Total	Adjustment	Consolidated Total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Ceramics & Electronics Business	Total				
Net sales										
Sales to outside customers	212,888	31,556	28,093	33,733	21,406	327,679	19,524	347,203	—	347,203
Inter-segment sales	6,453	8,348	2,666	1,636	5	19,110	10,150	29,260	(29,260)	—
Total	219,342	39,905	30,760	35,370	21,412	346,790	29,674	376,464	(29,260)	347,203
Segment income(loss)	1,895	756	3,118	(1,110)	(147)	4,512	1,297	5,810	(46)	5,763

	2Q FY3/13 (4/1/12 – 9/30/12)									
	Reportable Segments						Other	Total	Adjustment	Consolidated Total
	Cement Business	Mineral Resources Business	Environmental Business	Construction Materials Business	Ceramics & Electronics Business	Total				
Net sales										
Sales to outside customers	228,233	32,074	32,438	33,074	6,897	332,717	20,802	353,519	—	353,519
Inter-segment sales	5,937	8,839	2,759	1,928	18	19,483	10,883	30,367	(30,367)	—
Total	234,170	40,913	35,197	35,003	6,915	352,201	31,686	383,887	(30,367)	353,519
Segment income(loss)	6,207	1,613	3,147	(783)	(736)	9,447	1,283	10,731	(106)	10,625